State Of California - Health and Welfare Agency

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PPL No. 96- 024

To All County Medi-Cal Administrative Activities (MAA)/
Targeted Case Management (TCM) Coordinators and
Advisory Committee Members

MEDI-CAL ADMINISTRATIVE ACTIVITIES INVOICE QUESTIONS AND ANSWERS

Enclosed is the Department of Health Services' (DHS) response to questions raised during the Medi-Cal Administrative Activities (MAA) Invoice Training conducted August 21, 1996 in Sacramento. Please ensure this information is disseminated to appropriate staff in your Local Governmental Agency.

If you have any questions, please contact the Federal Liasion Unit analyst assigned to your Local Governmental Agency.

Sincerely,

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Enclosures

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Targeted Case Management: Medi-Cal Administrative Activities X Policy Effective Date: 7-1-95 Policy Reference: Welfare and Institution Code, Section 14132.47

MAA INVOICE TRAINING

August 21, 1996

QUESTIONS AND ANSWERS

1. If a program intends to use an actual count for calculating the Medi-Cal percentage discount, can this count be taken during one month each quarter or must it be taken for all three months of the quarter?

   The actual count must be done for one month in each quarter for which the claiming unit intends to submit a Medi-Cal Administrative Activities (MAA) claim. The methodology for calculating the Medi-Cal percentage discount must be described in the MAA Claiming Plan.

2. If a program states in the MAA Claiming Plan that it intends to use the county-wide average (CWA) for the Medi-Cal percentage, can the program later decide to use an actual count?

   Yes. -- In order to switch the methodology for determining the Medi-Cal percentage from CWA to an actual count, an amendment to the MAA Claiming Plan for the program must first be submitted and approved by the Department of Health Services (DHS).

3. If a program does both MAA and Targeted Case Magement (TCM) and the program decides to time survey for MAA on a quarterly basis, does the TCM staff need to time survey?

   All TCM staff who perform <u>both MAA and TCM</u> must time survey whenever a MAA time survey is conducted. The TCM staff would continue to use the Program Time Survey for Case Manager form (the green DHS form 7093) and record TCM as well as MAA time. Staff who perform TCM or other non-claimable activities <u>only</u> do not need to time survey.

4. If a MAA Invoice is submitted before the MAA Claiming Plan is approved by DHS, what happens to the invoice?

   At the training session it was stated that the Federal Liaison Unit (FLU) would hold the invoices pending approval of the Claiming Plan. After further consideration, it was decided that the MAA Invoices submitted to DHS without an approved Claiming Plan or that do not agree with the approved Claiming Plan in effect for the period claimed will be rejected by the DHS FLU. Reference the Claiming Plan instructions contained in Policy and Procedure Letter (PPL) No. 96-015.

5. Which time survey results are to be used for MAA claiming for Fiscal Year (FY) 1995-96?

The Time Survey Policies contained in PPL No. 96-017 provides clarification on this question.

The MAA Invoice for the first and second quarters of FY 1995-96, i.e., July 1, 1995, through December 31, 1995, must be based on the results of the September 1995 time survey.

The MAA Invoice for the third and fourth quarters of FY 1995-96, i.e., January 1, 1996, through June 30, 1996, must be based on the results of the March 1996 time survey.

The only exception to this time survey application are for those claiming units in the Local Governmental Agency (LGA) which will claim MAA only and did not time survey in March. These claiming units will use the September 1995 time survey for the entire FY 1995-96.

Claiming units that only time surveyed for MAA in March 1996 may only claim for the third and fourth quarters of FY 1995-96, and must use the March 1996 time survey results.

6. Schools were instructed by DHS to time survey for MAA in November 1995 instead of September 1995. Does this mean schools are to use the November 1995 time survey results for FY 1995-96?

Yes. -- Schools are to use the November 1995 time survey results for MAA claiming for the entire FY 1995-96 unless a subsequent time survey was conducted in March 1996. See the response to Question #5.

7. Has the Lotus, version 5, disk for the MAA Invoice been tested on Excel or Quattro?

No. -- FLU and the Fiscal Issues Work Group are working with a few jurisdictions to test the disk.

8. The MAA Invoice Instruction state that the cost of clerical staff who work for the staff in Cost Pools #1 and #2 are to included in those Cost Pools. How should the costs of clerical staff be handled if these staff only work part time for staff in these Cost Pools?

If you are able to determine and document the percentage of time spent by clerical staff working for staff in Cost Pools #1 and/or #2, that percentage of their costs can be included in those Cost Pools, with the remainder entered in Cost Pool #3a. If you cannot determine and document the percentage of time, the cost of these clerical staff would be entered in Cost Pool #6.

9. If a supervisor is supervising both SPMPs and non-SPMPs who time survey how should his/her cost be entered?

The cost of this supervisor would be divided between Cost Pool #1 and Cost Pool #2 proportional to the number of staff supervised in each Cost Pool.

10. If staff time survey to both MAA and TCM, do we put the cost of TCM time in Cost Pool #3a?

No. -- The cost of staff who time survey for <u>both</u> MAA and TCM are to be entered in Cost Pool #1 or #2. The activity results section and the formulas in the MAA Invoice will result in the TCM time being non-claimable on the MAA Invoice.

Normally the costs of all persons who time survey are included in Cost Pool #1 or Cost Pool #2. The <u>only</u> exception would be a person who time surveys for TCM and <u>does not perform any MAA</u>. The cost of this person would be entered in Cost Pool #3a.

11. If all staff in the claiming unit, with the exception of administrative staff, participate in the time survey, would anything be entered in Cost Pool #3a?

The time survey allocates staff time to MAA, non-claimable activities, general administration, and paid time off. When all staff time survey, their salary, benefits and other identifiable claimable "other" costs are entered in Cost Pool #1 or Cost Pool #2. However, there are Other Costs which are not claimable, such as medical supplies. It is important to enter these costs in Cost Pool #3a.

12 If someone, such as physician, should time survey but refuses, must the costs of this person be entered in Cost Pool #3a?

Yes. -- All persons who perform MAA should be strongly encouraged or required to time survey in order to claim for all allowable MAA costs of the claiming unit. It is important to evaluate whether staff are likely to perform allowable MAA before they are included in the time survey. For example, it is not appropriate to include a person who only performs Direct Patient Care and General Administration.

13. The MAA Claiming Plan Instructions state that the same (individual) employee of a subcontractor cannot claim for the performance of both MAA and TCM. What is the policy on Personal Service Contractors?

LGAs may subcontract with non-governmental agencies or programs to conduct MAA activities except Program Planning and Policy Development Activities <u>which are not</u> claimable MAA when performed by LGA subcontractors. A PPL is in development regarding the definition of a LGA employee versus a contractor.

14. Will the State provide the Aid to Families with Dependent Children rates for schools, as they did last year, to use in determining the Medi-Cal percentage?

Yes - PPL No. 96-022 was issued August 11, 1996 with the requested information.

15. Under what circumstances can claimable equipment be considered an "Other Cost" versus an item that must be capitalized?

According to Office of Management and Budget Circular A-87, effective 7/1/96, items of equipment with an acquisition cost of less than $5,000 are considered to be supplies and are allowable as direct costs. However, if the capitalization level established by the local governmental unit for financial statement purposes is lower than $5,000, the lower level must be used.

16. Can you give examples of costs that can be Direct Charged?

The MAA Claiming Plan Instructions allow for direct charging of expenses related to Contracting for Medi-Cal Services, Program Planning and Policy Development, and MAA/TCM Coordination and Claims Administration, and the actual expenses for MAA Transportation. A claiming unit may propose, in the MAA Claiming Plan, direct charging other allowable costs directly related to the performance of MAA. One example would be designing and printing Medi-Cal outreach brochures.

All costs to be direct charged must be entered on the Detail of Direct Charges Worksheet. Supporting worksheets do not need to be submitted with the claim but must be included in the audit file. These costs must not be entered anywhere else on the MAA Invoice as this would result in duplicate claiming. Thus, if accounting staff who prepare MAA claims are normally included in an internal indirect cost rate, their costs must be backed out from that rate if they are to be direct charged. This means that if the cost would normally be included in a Cost Pool, such as Cost Pool #6 for fiscal staff preparing MAA claims, the cost must be subtracted from this Cost Pool.

17. Has clarification been reached regarding the claiming for MAA/TCM Coordination and Claims Administration?

MAA/TCM Coordination and <u>TCM</u> Claims Administration is only allowable under MAA when performed by LGA staff on a LGA-wide basis. Whereas, MAA Claims Administration is claimable under MAA at the claiming unit level. Reference PPL No. 96-023.

18. Does this mean that MAA/TCM Coordination and TCM Claims Administration cannot be claimed by Schools?

MAA/TCM Coordination and Claims Administration <u>can not</u> be claimed by Schools. Reference PPL No. 96-015.

19. If the cost of a staff person performing MAA/TCM Coordination part time is to be direct charged, where does the rest of this person's time go?

The residual must be entered in Cost Pool #3a. For example, if the person spends 80% time on MAA/TCM Coordination, 80% of the person's salary and benefits are entered on the Detail of Direct Charges Worksheet. The remaining 20% is entered in Cost Pool #3a.

20. The Local Jurisdiction Consortium has submitted a proposal regarding the policies on revenue offset and funds eligible to be used as match. How does this affect how the Funding (Revenue) Source Detail Worksheet is to be completed?

The proposal is being evaluated by DHS. Until a decision is reached, MAA claims should be submitted according to the policies used for the Medi-Cal Administrative Claiming Resolution claims. Should the policies change, the invoices can be revised if the reimbursement amount is affected.

21. Where should TCM reimbursements be entered?

TCM reimbursements are to be entered under Medi-Cal Fees in Cost Pool #3 on the Funding (Revenue) Sources Detail Worksheet.

22. Where should MAA reimbursement be entered?

MAA reimbursements are to be entered under Other Revenue in the N/A column on the Funding (Revenue) Sources Detail Worksheet.

23. What information is expected in the listing of funding sources and the purpose of the funding on the Funding (Revenue) Sources Detail Worksheet?

The "list" section should give the name of the grant, the specific source of the funds (e.g., State Office of Family Planning), and/or the type of other revenue (e.g., charitable donation). The "purpose" section should briefly describe what activities the funding supports. Examples would be;

Source	*Purpose*
Office of Family Planning	*Medical services*
XYZ Foundation	*Outreach materials*

24. If a program does not need to use all of the forms, do they need to be submitted anyway?

The only forms that can be omitted by any claiming unit if they are not used are the Program Planning and Policy Development Salary and Benefits Worksheet and the Detail of Direct Charges Worksheet. The Funding (Revenue) Sources Detail Worksheet may be omitted for subcontractors when the LGA program contracts with the subcontractor to perform specific MAA using only the LGA's unmatched General Funds. All other claims must be include the Funding (Revenue) Source Detail Worksheet.

25. When does a separate MAA Claiming Plan and MAA Invoice need to be submitted for a contractor?

LGAs who contract with a contractor, such as a community based organization, to perform and claim for allowable MAA must have a MAA Claiming Plan and submit a separate MAA Invoice. If a LGA claiming unit contracts with an entity to provide a supply/service related to MAA, *such as designing and printing outreach brochures, the LGA claiming unit may include this on its Detail of Direct Charges Worksheet under Other Costs.*

26. Should the total on Line M (total costs) of the MAA Invoice match the agency's financial statement?

Yes.

27. Should the total costs on Line M equal the total revenue on the Funding (Revenue) Sources Detail Worksheet?

The Fiscal Issues Work Group and DHS will meet to discuss and develop guidelines on this issue.

28. What will happen if two Detailed Invoices are submitted with one Summary Invoice and there is a problem with one of the Detailed Invoices? Will this delay payment of the approved Detailed Invoice?

The Detailed Invoice with the problem will be returned to the LGA for correction. The Summary Invoice will be adjusted downward to reflect the claimable amount of the approval invoice and will be forwarded to the State Controller for payment. The returned invoice must be resubmitted with a new Summary Invoice. The FLU can reduce the amount on a Summary Invoice, but cannot increase the amount. If a correction or revision on a Detailed Invoice results in an increased amount, the LGA must submit a revised Summary Invoice.

29. What will happen if more than one Summary Invoice is submitted in one month?

Generally the State Controller will issue only one check per month per jurisdiction. If two Summary Invoices are received at the same time and approved, one check will be issued for both invoices. If the first Summary Invoice has already been forwarded to the State Controller for payment, the second Summary Invoice will be included with the next month's invoices.

30. How many copies of the invoices are to be sent?

An original and two copies of the Detailed Invoices and Summary Invoice on letterhead are to be submitted. Invoices should be sent to the DHS, 714 P Street, Room 1140, Sacramento, Ca. 95814. Attention Pat Kinney.

31. If the only MAA a school intends to claim for is a direct charge for MAA Transportation, does the school need to reflect the entire budget of the school on the Detailed Invoice?

No. -- The direct charge costs are to be entered in the MAA Transportation column of the Detail of Direct Charges Worksheet. The formulas on the invoice disk will generate the needed information on the Detailed Invoice and calculate the Total Federal Share.

32. Do we need to include the costs of the entire department or just the claiming entity on the MAA Invoice?

If you can isolate the costs of the claiming entity (segregated budget unit) you may choose to include only the costs and revenue for the claiming entity on the MAA Invoice.

33. Can we do an annual claim for FY 1995-96 if the Medi-Cal percentage is the same for all four quarters?

No. -- Submittal of an annual claim was allowable only for the MAC Resolution Process.

34. The Audits File Checklist makes reference to the survey used to determine if staff qualify as Skilled Professional Medical Personnel (SPMP). Is this required for all staff included in Cost Pool #1?

No. -- This survey is only necessary for staff for whom reimbursement at the Enhanced Rate will be claimed. The only staff that will need to complete this survey are SPMPs for whom Program Planning and Policy Development (performed full time) will be claimed. This Questionnaire (survey) is available from the MAA/TCM Host County Liaison.

35. The Audit File Checklist makes references to duty statements of staff performing administrative activities. In the past the duty statements were to include percentages next to the allowable activities. Is this required?

No. -- At this time percentages are not required on the duty statement.

36. We used to have to keep SPMP Training Logs. Is this still required?

No. -- Training for SPMPs is no longer reimbursable at the Enhanced Rate except for training related to the performance of allowable MAA (Program Planning and Policy Development), so these logs are not necessary to document training.

37. Are any training logs required?

No. -- The MAA Claiming Plan Instructions require that you describe the MAA related training that will be conducted. The only type of training separately identified on the time survey is MAA Implementation training. Although training logs are not required, it may be useful to maintain training agendas and sign-in sheets, as supporting documentation for the training conducted.

38. Who should sign the MAA Invoices?

The Summary Invoice and the Detailed Invoice must be signed by a person within the LGA having the authority to sign the certification statement for the LGA. These individuals include the MAA/TCM Coordinator, the program administrator, or the LGA Fiscal Officer. There is a line on the Detailed Invoice for the name of the person who actually prepared the invoices. A signature is also required on the Funding (Revenue) Sources Detail and on the Detail of Direct Charges. These sheets may be signed by the LGA representative or the person preparing the invoice.

39. What backup materials (supporting documentation) must be sent with the invoice?

The following documents must be submitted to DHS with the MAA Invoice.

The Funding (Revenue) Sources Detail (except for subcontractors meeting the conditions in the response to question #24).

The Direct Charge Detail.

Program Planning and Policy Development Worksheet, if applicable.

A listing of all classification of staff whose costs have been assigned to Cost Pool #6 and the number of staff in each of the classification (first quarter of each fiscal year only, unless subsequently requested by the DHS).

Description of "Other Costs" category for each cost pool except Cost Pool #3a (first quarter of each fiscal year only, unless subsequently requested by the DHS.) The description is to list general categories, such as office supplies or printing.